

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: S. Alter

FROM: D. Mackey

SUBJECT: Data Test Markets

DATE: October 9, 1984

Attached are profiles of the recommended test markets for Data. Little Rock and Flint are the preferred markets with alternates being offered should the need arise.

Criteria used in selecting these markets were:

- Low tar development above 105
- One strong (110+) and one slightly below average (70-90) menthol market
- Ultra low development average or above (90+)
- 100MM development average or above (90-120)

In addition, demographics, retail profile and shipping patterns had to be suitable for a test.

Only 21 markets meet the share development criteria. Of those 21, 15 are unacceptable because they are currently in use for another test or they have product control problems.

If you have questions, please call.



DM/sf
Attachments

cc: A. Goldfarb
E. McQuigg
B. O'Brien
J. Spector
E. Twomey
B. Weinstein

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Brand/Category Development - Demographics

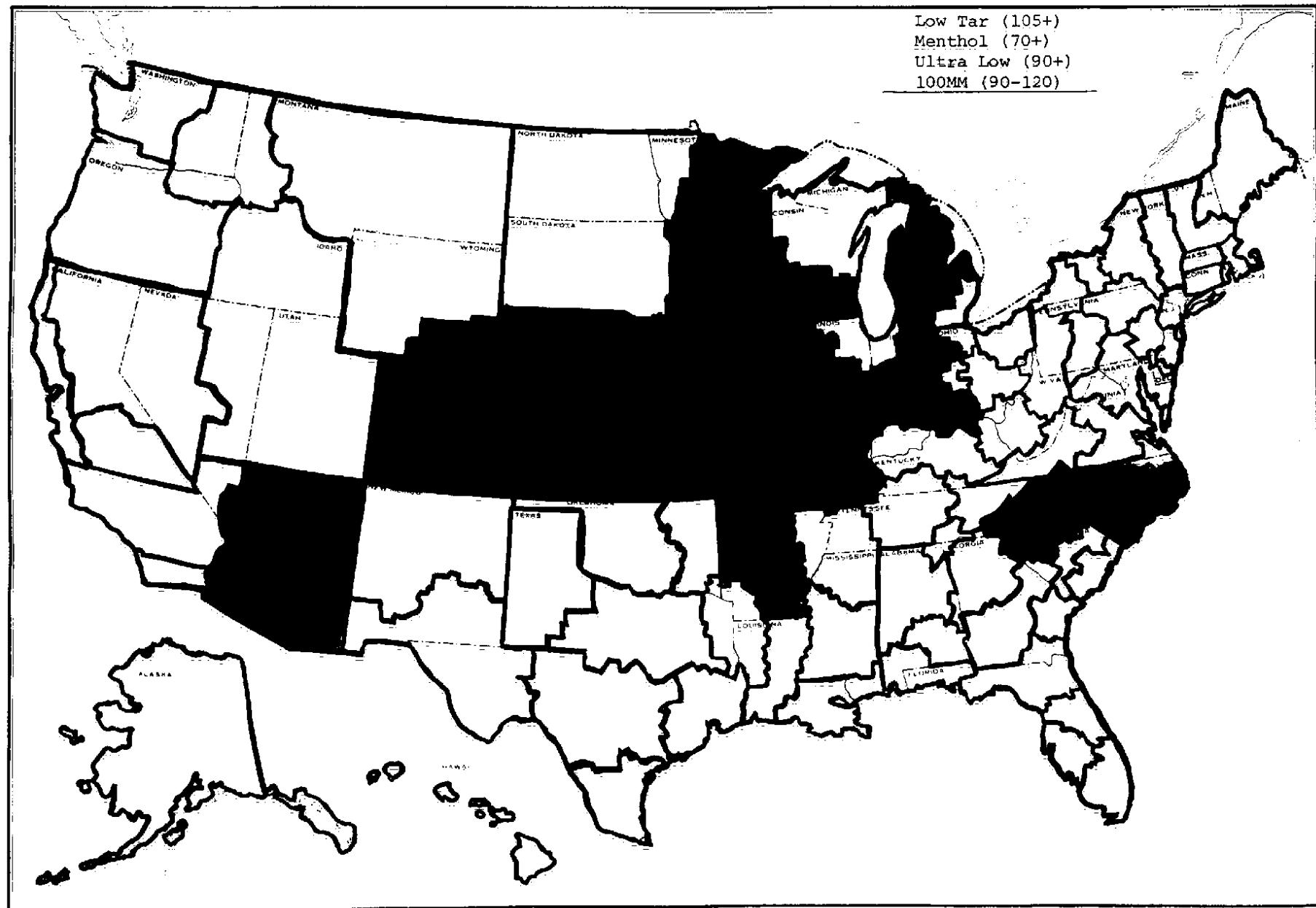
| | <u>Little Rock</u> | <u>Des Moines (Alternate)</u> | <u>Flint</u> | <u>St. Louis (Alternate)</u> |
|-------------------------|--------------------|-----------------------------------|--------------|----------------------------------|
| Percent U.S. Population | 0.8 | 0.9 | 0.7 | 1.9 |
| SDI's: | | | | |
| Low Tar | 111 | 115 | 107 | 105 |
| Ultra Low | 102 | 122 | 113 | 96 |
| Flavor Low | 113 | 113 | 105 | 107 |
| Full Flavor | 91 | 85 | 92 | 94 |
| Menthol | 86 | 86 | 121 | 119 |
| 100MM | 116 | 99 | 104 | 99 |
| % Black | 14 | 2 | 9 | 11 |
| % Hispanic | 1 | 1 | 2 | 1 |
| Age Index | | | | |
| 18-20 | 98 | 108 | 112 | 102 |
| 21-29 | 94 | 94 | 103 | 93 |
| 30-39 | 98 | 95 | 98 | 95 |
| 40-49 | 100 | 99 | 100 | 102 |
| 50-64 | 99 | 101 | 89 | 103 |
| 65+ | 116 | 115 | 76 | 115 |
| Income Index | | | | |
| 0-10 | 142 | 80 | 94 | 129 |
| 10-25 | 104 | 107 | 98 | 95 |
| 25-50 | 63 | 103 | 109 | 85 |
| 50+ | 56 | 101 | 105 | 85 |

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Retail Profile

| | <u>Little Rock</u> | <u>Des Moines (Alternate)</u> | <u>Flint</u> | <u>St. Louis (Alternate)</u> |
|--------------------------|--------------------|-----------------------------------|--------------|----------------------------------|
| Total Stores | 2168 | 2006 | 1829 | 4358 |
| Plan A Penetration Index | 113 | 76 | 74 | 105 |
| Plan A Coverage Index | 116 | 89 | 67 | 111 |
| Plan B Penetration Index | 108 | 94 | 112 | 78 |
| Volume Index | | | | |
| 0 - 199 | 142 | 107 | 113 | 81 |
| 200 - 299 | 115 | 93 | 105 | 104 |
| 300 - 499 | 91 | 64 | 107 | 115 |
| 500 - 999 | 77 | 92 | 103 | 105 |
| 1000+ | 57 | 156 | 57 | 100 |

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